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EARLY POTATO MARKETING IN VIRGINIA

A radio talk by W. J. Nuckolls, Farm Management Demonstrator, Virginia Extension Service, delivered in the Land Grant College Program of the National Farm and Home Hour, January 17, 1934.

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Virginia ranked first in the production of early potatoes and ninth in total production of all potatoes during the five year period 1926-1930. The December 19, 1933 estimate of the Crop Reporting Board gave the production of early potatoes for Virginia in 1933 as 5,831,000 bushels, compared with the 7,364,000 bushel crop of 1932 and the five year average of 9,605,000 bushels.

Two counties, Northampton and Accomac, on the Eastern Shore of Virginia, produce approximately two-thirds of the entire Virginia crop. The counties surrounding Norfolk and bordering on the Chesapeake Bay are next in importance in the production of the Virginia crop of early potatoes.

The actual growing of the potatoes is the first step in marketing. A good soil and climate, nearness to market, use of good seed and proper fertilization and cultivation practices are highly essential in profitable potato production. The practice of proper insect and disease control measures are also important.

The second step is harvesting the potatoes, which is done as soon as the potatoes are ripe. One horse plows are generally used in plowing the potatoes out. This is usually done in the late afternoon and contract laborers scratch the potatoes out and then throw them in heap rows. Early the following morning, while it is still cool, the potatoes are picked up, graded in the U. S. Grades and placed either in 165 pound barrels or 100 pound sacks. The barrels are then covered and the bags sewed and hauled by truck to the shipping point. The bulk of the Virginia crop is shipped in barrels, although some growers prefer sacks. Most of the potatoes shipped from Virginia are hand graded but the tendency to machine grade is increasing. As a rule nothing below U. S. No. 2's are sold on the open market. The culls and nicks are fed or left on the farm to decay. However, in years of short crops and high prices, such potatoes find their way to the market. Regardless of the price of potatoes the lower grades act as a drag on the market and in the long run farmers will profit by keeping them off of the market.

Virginia potatoes are marketed through many types of selling agencies. Among these are:-Sale on consignment; sale f.o.b. shipping point; sale delivered; sale through local broker dealer; sale through farmer's cooperatives; sale direct to trucks in field; and, sale to speculators by the acre.

The bulk of the Virginia potatoes are sold through either local broker dealers or cooperative sales agencies. In both cases the farmer pays the sales agency a commission for handling his crop. This commission may be determined on either a percentage basis or a flat rate per package basis. In most cases in 1933 a commission of 5% or a flat charge of 22 1/2 cents per barrel for No. 1's and 15 cents per barrel for No. 2's was charged. Information is not available as to the proportionate part of the crop handled by

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the various agencies. It is known, however, that a goodly portion of the total crop was sold through cooperative agencies.

In many localities the time merchant who finances the farmer's purchases of seed, fertilizer and spray and dust materials also sells the potatoes for the farmer. In most instances the farmer is required to sign an agreement that he will sell his potatoes only through his time merchant. In addition the grower is usually required to give the time merchant a crop lien on either a part or the whole of his crop. This forces the grower to market through one agency and also protects the time merchant.

Potatoes are shipped to the market by rail, truck and water. Most of the crop moves by rail and is loaded into ventilated refrigerator cars; however, some potatoes are still loaded in box cars that have slatted doors. In most years potatoes move to the market with little loss from decay in transit. However, in years of large crops and declining markets, gluts often occur on the markets and large losses are incurred due to decay in transit. As a rule these deductions for decay are passed back to the farmers. Losses occur more often when potatoes are shipped on consignment than when they are sold f.o.b. shipping point.

Sales are made in the terminal markets by telephone, telegraph and through agents representing the various sales agencies on the larger markets. The early potato committee has been active in educational work with the growers, time merchants and sales agencies. The committee has attempted to get the various selling agencies in Virginia to agree to maintain a price for the day, thus eliminating price cutting which is very detrimental to the market. Orderly marketing has been another aim of the committee. Through orderly marketing and the elimination of price cutting farmers of the early potato section would be enabled to more nearly receive a parity price for their potatoes. A hopeful sign for the 1934 crop has been the agreement of all time merchants not to finance any grower for a greater acreage than that planted in 1933.